

SENATOR KELLY: It's two and a half, plus one half percent more, it would be a total of three percent?

SENATOR KOCH: No, Senator Kelly. This would be beyond the three percent that was originally in the budget bill. It's not a half percent of three percent. It's three percent plus a half percent for merit pay, which would mean an increase of approximately \$1.2 million for the purpose of merit.

SENATOR KELLY: Okay, thank you very much, Senator Koch. My understanding would be of this nature, the amendment is asking for a \$1 million increase in funding for personal services to be distributed by agency heads under no known guidelines. This, to me, would appear to be subjective increases and not objective increases. At this time I will oppose the amendment.

PRESIDENT: Mr. Clerk.

CLERK: Read Newell amendment found on page 1583 of the Journal.

SENATOR NEWELL: Mr. President, members of the body. I rise to offer this amendment for a very simple and, I think, understandable reason. The problem that we have had with merit money, and I have generally been in opposition to merit money because of the problems that we have in terms of who gets the money and how it is distributed. I think this is a very important thing that we provide, under any merit plan, that money can be given to meritorious employees. That it will not be a "percentage increase" on their base salary which causes great diversity and great problems in its distribution, and long-time problems after that because any additional percentage increases are built upon that. I do, however, feel that employees ought to be granted merit money. I think that this merit money ought to be given to them in the year in which they accomplish something that is better than the other employees, and so forth, that it ought not to be a compounding type of thing, it ought to be a cash award to those individuals. I don't think that it needs to be larger than \$100. The \$100 factor here would allow it to get distributed to more employees and, at the same time, it would say to those employees, you know the money itself isn't that significant as it is to say 'Listen, we recognize you as doing a good job. We recognize the great job that you're doing for the people of the State of Nebraska, and we want to give you something', and that recognition is almost as important as that dollar amount. So that is what I'm proposing here. This amendment to the Koch amendment would say 1. we think that the way merit money has been given out in the past has been discriminatory; 2. we feel there is a need to provide merit money, but it ought to be to the employee and based on merit, and that it ought not be a ever-compounding type of situation. It takes the discrimination out of it. It also maximizes the importance. I think it will get spread around a little better to say that the top such and such percentage of employees will be given some recognition, as well as monetary compensation for that good work that they're doing for this state. I would hope the body would accept this amendment. I think it is the way to try to deal with a problem that we've had with merit money in the past. This is one of the reasons, because of the great discrimination of giving merit money that one year we'll give it and the next year we don't, the problem is that we have such a big difficulty in distributing it. I think this is one solution to that problem that is going to help. I would hope you'd accept the amendment. Thank you.